

ASSOCIATED PRESS
20 September 1983

WASHINGTON

U.S. ESTIMATES OF SOVIET MILITARY STRENGTH ARE QUESTIONED

U.S. intelligence agency estimates of changes in Soviet defense spending are likely to be only roughly accurate and are a poor measure by which to gauge Soviet military strength, a congressional staff study contends.

"It is inappropriate to read the estimates with the certainty that can be attached to the U.S. budget document," said a report written by Richard F. Kaufman of the Joint Economic Committee and released Tuesday by Sen. William Proxmire, D-Wis.

"In general, far too much military and political importance has been given to the estimates of Soviet defense costs," the study said. "Their principal value is economic, not military. They measure stocks and flows of resources rather than capabilities and effectiveness."

Nonetheless, said Proxmire, a frequent critic of U.S. defense programs, "no single estimate has had more of an influence on U.S. defense and budgetary policy than the annual measures of Soviet defense costs."

The 29-page report, whose conclusions were based largely on testimony earlier this year by officials of the Central Intelligence Agency and the Defense Intelligence Agency, said the estimates can be useful.

"They can be useful for assessing trends, understanding the interaction of the defense sector with the rest of the economy and making rough comparisons of the sizes of Soviet and American forces," Kaufman wrote.

But, he said, "estimates of what the Soviets actually spend in rubles will always be suspect as long as Moscow maintains its policy of secrecy."

The problem is complicated by the different ways the CIA and DIA use to calculate Soviet defense outlays, which Kaufman said are impossible for outsiders to reconcile.

The CIA uses inflation-adjusted dollars and rubles its calculations, while the DIA uses current value estimates.

The report cited a CIA conclusion that the cost of Soviet defense grew at an annual rate of about 2 percent after inflation in 1976-81, down from a 4 percent to 5 percent rate during the previous decade.

By contrast, the DIA, whose estimates make no provision for inflation, reported an annual increase through the 1970s of 6 percent to 7 percent.

CIA estimates are based on how much it would cost the United States, at prevailing wages and prices, to duplicate the equipment and manpower of the Soviet armed forces.

Critics suggest that this method tends to inflate Soviet spending estimates. The DIA refuses to disclose its methods of calculating its estimates.